



Washington State Legislature

Nov. 15, 2007

The Honorable Christine O. Gregoire
Legislative Building
Olympia, WA 98504

Dear Governor Gregoire,

The Supreme Court's decision last week to strike down the property tax collection limit set by Initiative 747 has stripped Washington taxpayers of a protection that saved them at least \$1.6 billion over the life of the I-747 law.

We are disappointed that the Legislature did not act during the 2007 session to codify the 1 percent limit set in I-747. Doing so would have prevented the unhappy scenario taxpayers now face: that taxing districts with a pent-up demand for revenue will quickly seize this opportunity to increase their property tax collections.

Fortunately, the Legislature can make up for its inaction earlier this year by meeting in special session to reinstate the I-747 limit and repeal the "unused banked capacity" to which taxing districts are entitled as a result of the Supreme Court ruling. This would have the dual benefit of protecting taxpayers from unforeseen property tax increases and restoring the will of the people.

We believe it is of paramount importance for the Legislature to address this issue promptly, rather than wait until January, considering local government budgeting requirements.

RCW 84.52.070 sets Nov. 30 as the deadline for taxing districts to submit their proposed budgets to their respective county councils or commissions, and for county councils or commissions to certify the amount of taxes to be levied by those taxing districts. To comply with the law, taxing districts already are meeting to set their budget and levies, which could include tapping the unused capacity.

Counties must have their tax rolls set by Jan. 15, which is the second day of the 2008 session. If the Legislature waited until the opening day of the session to reinstate the I-747 limit, imagine the disruption that would ensue for taxing districts that had chosen this month to increase their levies in light of the Supreme Court ruling.

If, as you have publicly stated, you want to see a 1 percent limit, it would be incumbent upon the Legislature to take action this month out of respect for the workings of local governments and to ensure the protection of taxpayers.

Republicans in the Senate and House are already seeking the constitutionally required support from their colleagues to convene a special session. Later this month Senate and House members will be in Olympia for their regularly scheduled committee assembly days, so we could easily have a brief special session, at no additional cost to the taxpayers, and pass the necessary legislation.

Local governments are not bound by your request that they refrain from increasing their property tax levies until the Legislature can act, and we are more than eight weeks away from the 2008 regular session. The surest way to protect taxpayers and provide certainty to local governments is to reinstate the I-747 limit during a special session. The surest and quickest path to a special session is for you to make the call.

We ask you to call a special session.

Sincerely,



Sen. Mike Hewitt
Senate Republican Leader



Rep. Richard DeBolt
House Republican Leader